Province of Newfoundland and Labrador

Public Accounts Volume II
Consolidated Revenue Fund
Financial Statements

FOR THE YEAR ENDED
MARCH 31, 2009

Newfoundland
Labrador

Province of Newfoundland and Labrador

Public Accounts

Volume II

Consolidated Revenue Fund
Financial Statements

For The Year Ended
31 March 2009

PRINTED UNDER AUTHORITY OF THE HOUSE OF ASSEMBLY

This Page Intentionally Left Blank.

Table of Contents

Page No.

INTRODUCTION 1

STATEMENT OF RESPONSIBILITY 7

AUDITOR'S REPORT 9

STATEMENTS:

Statement of Financial Position 11
Statement of Change in Net Debt 12
Statement of Operations 13
Statement of Change in Accumulated Deficit 14
Statement of Cash Flows 15
Notes to the Financial Statements 16

SCHEDULES:

Accounts and Taxes Receivable - Schedule A 28
Loans, Advances and Mortgages Receivable - Schedule B 29
Investments - Schedule C 31
Tangible Capital Assets - Schedule D 33
Other Liabilities - Schedule E 36
Debenture and Other Debt - Schedule F 37
Guaranteed Debt - Schedule G 42
Losses, Uncollectible Accounts and Other Amounts Written Off - Schedule H 48
Trust Accounts - Schedule I 49
Revenue and Expense by Sector - Schedule J 50
Reconciliation of Budgetary Contribution (Requirement) to Accrual - Schedule K 52

This Page Intentionally Left Blank.

INTRODUCTION

The *Financial Administration Act* requires that all revenues over which the Legislature has power of appropriation shall form one Consolidated Revenue Fund. The financial statements of the Consolidated Revenue Fund of the Province of Newfoundland and Labrador are presented through the publication of the Public Accounts, Volume II.

These statements are prepared on the accrual basis of accounting in accordance with the Public Sector Accounting Standards of the Canadian Institute of Chartered Accountants, and as outlined in the significant accounting policies of the Province. They are prepared by the Comptroller General of Finance and are audited by the Auditor General, who presents an annual report to the House of Assembly on the results of his audit. Budget figures, where available, are provided on several Statements for comparison purposes.

The Public Accounts for the year ended 31 March 2009 also includes one other volume, Volume I - Consolidated Summary Financial Statements. It presents the summary financial statements which consolidate the financial statements of the Consolidated Revenue Fund with the financial statements of various Crown Corporations, Boards and Authorities, as approved by Treasury Board, which are controlled by the Government of Newfoundland and Labrador.

The Report on the Program Expenditures and Revenues of the Consolidated Revenue Fund for 2008-09 was released in September, 2009 and presents expenditures and revenues using the modified cash basis of accounting. This is the same basis used to prepare the budgeted appropriations and revenues as per the Estimates. This report is available online at the address noted below. Another report containing a reproduction of the available financial statements of the Crown Corporations, Boards and Authorities will be released as a separate report.

The Public Accounts of the Province are tabled in the House of Assembly in accordance with Section 60 of the *Financial Administration Act*.

Internet Address

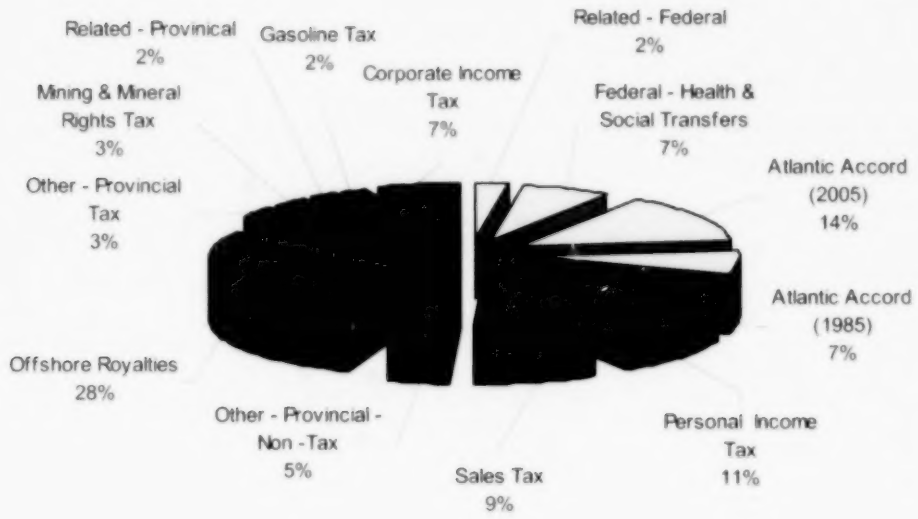
The Public Accounts are available on the Internet at:
http://www.gov.nl.ca/ComptrollerGeneral/publications.htm

This Page Intentionally Left Blank.

Revenue

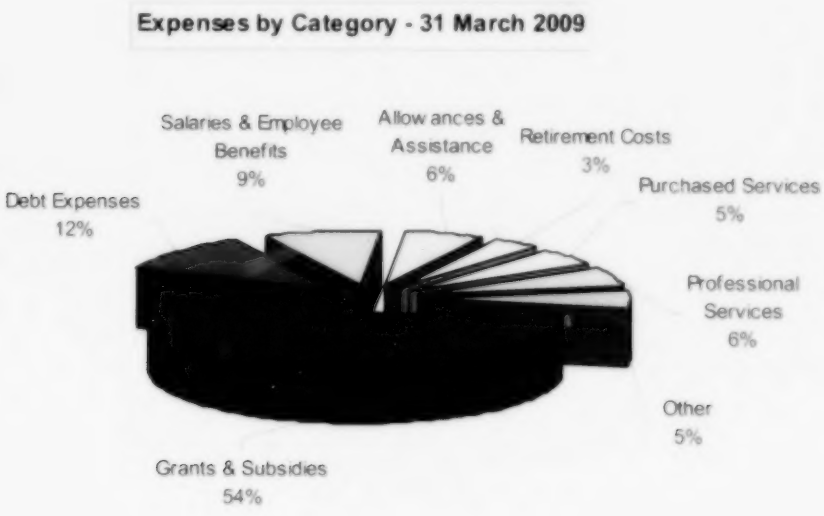
Total revenue was $8.05 billion in 2008-09 which consisted of federal revenues of $2.44 billion and provincial revenues of $5.61 billion.

Revenue by Source - 31 March 2009



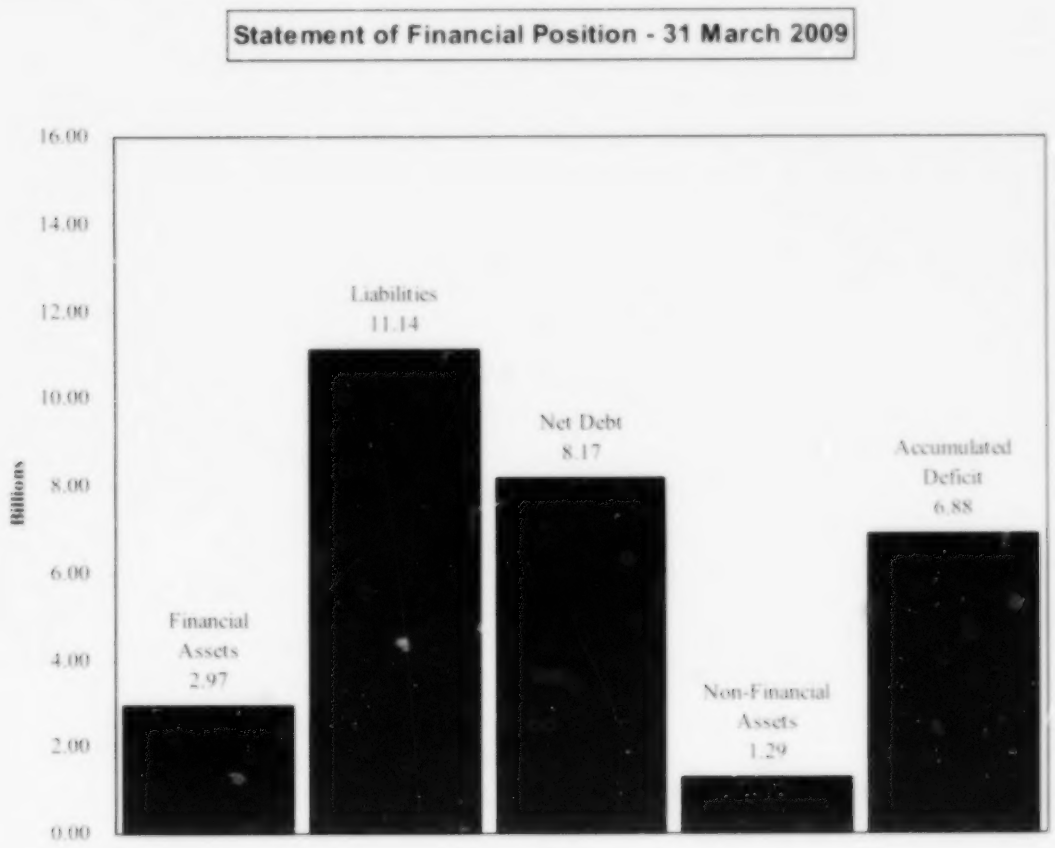
Expense

Total expenses were $5.85 billion in 2008-09. Grants and subsidies of $3.14 billion and debt expenses of $0.68 billion represented approximately 66% of this amount.



Financial Position

Net Debt of $8.17 billion consisted of $11.14 billion in liabilities less $2.97 billion in financial assets. Accumulated Deficit of $6.88 billion consisted of $8.17 billion in Net Debt less $1.29 billion in non-financial assets



This Page Intentionally Left Blank.

Newfoundland Labrador

Government of Newfoundland and Labrador
Department of Finance

2 October 2009

STATEMENT OF RESPONSIBILITY

Responsibility for the integrity, objectivity and fair presentation of the summary financial statements of the Consolidated Revenue Fund rests with the Government. As required under Section 59 of the *Financial Administration Act*, these summary financial statements are prepared by the Comptroller General of Finance in accordance with the applicable legislation and in accordance with the accounting policies as disclosed in Note 1 to these summary financial statements. Additionally, information has been provided by various government departments as required by Section 20 of the *Financial Administration Act*.

The Government is responsible for maintaining a system of internal accounting and administrative controls in order to provide reasonable assurance that transactions are properly authorized, assets are safeguarded and financial records are properly maintained.

The summary financial statements in this volume include a Statement of Financial Position, a Statement of Change in Net Debt, a Statement of Operations, a Statement of Change in Accumulated Deficit, a Statement of Cash Flows and notes. Other schedules and notes that are included also form an integral part of these statements.

Pursuant to Section 11 of the *Auditor General Act*, the Auditor General of Newfoundland and Labrador provides an independent opinion on the summary financial statements.

THOMAS W. MARSHALL, Q.C.
Minister of Finance and President
of Treasury Board

RONALD A. WILLIAMS, CA
Comptroller General of Finance

This Page Intentionally Left Blank.

OFFICE OF THE AUDITOR GENERAL
St. John's, Newfoundland and Labrador

AUDITOR'S REPORT

To the House of Assembly
Province of Newfoundland and Labrador

In accordance with Section 11 of the *Auditor General Act*, I have audited the statement of financial position of the Consolidated Revenue Fund of the Province of Newfoundland and Labrador as at 31 March 2009 and the statements of change in net debt, operations, change in accumulated deficit, and cash flows for the year then ended. These financial statements are the responsibility of Government and have been prepared as outlined in Section 59 of the *Financial Administration Act*. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Government, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Consolidated Revenue Fund as at 31 March 2009 and the results of its operations, the change in its net debt and its cash flows for the year then ended in accordance with the accounting policies disclosed in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

These financial statements have been prepared solely to present the activities of the Consolidated Revenue Fund for the year ended 31 March 2009. However, significant financial activities of the Province occur outside of the Consolidated Revenue Fund. These activities, together with those of the Consolidated Revenue Fund, are included in the consolidated summary financial statements of the Province and it is for this reason that those financial statements provide a more comprehensive accounting of the Province's financial position and the results of its operations, the change in its net debt and its cash flows. A separate Auditor's Report is provided on the consolidated summary financial statements.

JOHN L. NOSEWORTHY, CA
Auditor General

St. John's, Newfoundland and Labrador
2 October 2009

This Page Intentionally Left Blank.

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Statement of Financial Position
As at 31 March 2009
with comparative figures for 2008

		Actuals 2009 ($000)	Actuals 2008 ($000)
	FINANCIAL ASSETS		
	Cash and temporary investments at cost - notes 2, 15	1,850,487	1,048,612
	Government of Canada - claims in process - note 3	126,061	84,904
Sch. A	Accounts and taxes receivable	648,590	749,019
	Less: Allowance for doubtful accounts	78,205	77,622
		570,385	671,397
Sch. B	Loans, advances and mortgages receivable	85,180	105,702
	Less: Allowance for doubtful accounts	77,297	104,624
		7,883	1,078
Sch. C	Investments at cost	413,900	92,532
	Less: Allowance for investment writedowns	3,250	3,250
		410,650	89,282
	Total Financial Assets	2,965,466	1,895,273
	LIABILITIES		
Sch. E	Other liabilities	1,733,142	1,528,417
	Deferred revenue - note 4	84,104	1,254,240
Sch. F	Debenture and other debt	6,939,870	6,982,010
	Less: Sinking fund assets - note 5	876,521	726,829
	Plus: Unamortized unrealized foreign exchange gains (losses) - note 6.	13,404	222,614
		6,076,753	6,477,795
	Group health and life insurance retirement benefits - note 8	1,562,601	1,454,326
	Unfunded pension liability - note 9	1,680,131	1,448,141
	Total Liabilities	11,136,731	12,162,919
	NET DEBT	8,171,265	10,267,646
	NON-FINANCIAL ASSETS		
Sch. D	Tangible capital assets - note 10	1,267,474	1,159,607
	Prepaid expenses	4,937	5,909
	Inventories of supplies	17,697	17,961
	Total Non-Financial Assets	1,290,108	1,183,477
	ACCUMULATED DEFICIT - note 10	6,881,157	9,084,169

The accompanying notes and supporting schedules form an integral part of the financial statements.

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Statement of Change in Net Debt
For the year ended 31 March 2009
with comparative figures for 2008

	Actuals 2009	Original Estimates 2009 (Note 18)	Actuals 2008
	($000)	($000)	($000)
NET DEBT - beginning of period	10,267,646	11,550,173	11,414,137
Surplus (Deficit) for the period - note 10	2,203,012	425,864	1,205,245
Changes in tangible capital assets			
Acquisition of tangible capital assets	189,695	318,601	132,773
Net book value of tangible capital asset disposals	(859)	-	(271)
Amortization of tangible capital assets	(80,969)	(84,066)	(78,750)
Increase (Decrease) in net book value of tangible capital assets	107,867	234,535	53,752
Changes in other non-financial assets			
Acquisition of prepaid expenses (net of usage)	(972)		2,898
Acquisition of inventories of supplies (net of usage)	(264)		2,104
Increase (Decrease) in other non-financial assets	(1,236)		5,002
Increase (Decrease) in net debt	(2,096,381)	(191,329)	(1,146,491)
NET DEBT - end of period	8,171,265	11,358,844	10,267,646

The accompanying notes and supporting schedules form an integral part of the financial statements.

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Statement of Operations
For the year ended 31 March 2009
with comparative figures for 2008

	Actuals 2009	Original Estimates 2009 (Note 18)	Actuals 2008
	($000)	($000)	($000)
REVENUE			
Provincial			
Tax Revenue			
Sales	757,742	636,690	685,856
Personal income	899,984	674,800	803,999
Gasoline	150,092	151,750	148,055
Corporate income	520,009	513,073	483,893
Mining and mineral rights	216,945	258,771	276,593
Other	266,679	260,185	252,808
Non-Tax Revenue			
Offshore royalties	2,238,563	1,719,300	1,753,931
Investment income	230,370	210,574	215,039
Fees and fines	146,959	129,552	141,415
Related revenue	178,803	155,730	158,790
Government of Canada			
Equalization	-	17,878	477,375
Atlantic Accord (2005)	1,152,785	360,052	305,697
Atlantic Accord (1985)	556,729	538,851	188,578
Health and social transfers	536,990	531,399	517,467
Other	1,708	1,708	1,708
Related revenue	195,223	264,851	176,884
Total Revenue	8,049,581	6,425,164	6,588,088
EXPENSE			
Salaries	448,145	570,595	395,320
Employee benefits	34,752	26,192	31,796
Retirement costs	201,531	193,761	131,456
Transportation and communications	48,096	50,016	44,472
Supplies	101,864	94,356	107,403
Professional services	367,552	369,935	327,537
Purchased services	294,577	355,874	266,985
Property, furnishings and equipment	79,051	68,845	63,445
Allowances and assistance	372,171	398,243	368,014
Grants and subsidies	3,137,595	3,117,987	2,849,140
Debt expenses	678,180	667,937	689,283
Amortization (tangible capital assets)	80,969	84,066	78,750
Bad debt expenses	2,086	1,493	29,242
Total Expense	5,846,569	5,999,300	5,382,843
ANNUAL SURPLUS (DEFICIT) - notes 10, 11	2,203,012	425,864	1,205,245

The accompanying notes and supporting schedules form an integral part of the financial statements.

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Statement of Change in Accumulated Deficit
For the year ended 31 March 2009
with comparative figures for 2008

	Actuals 2009	Original Estimates 2009 (Note 18)	Actuals 2008
	($000)	($000)	($000)
ACCUMULATED DEFICIT - beginning of period - note 10	9,084,169		10,262,380
Add (Deduct):			
Adjustments:			
Tangible capital assets - prior period adjustment - note 10	-		27,034
ADJUSTED ACCUMULATED DEFICIT - beginning of period	9,084,169		10,289,414
Surplus (Deficit) for the period - note 10	2,203,012	425,864	1,205,245
ACCUMULATED DEFICIT - end of period	6,881,157		9,084,169

The accompanying notes and supporting schedules form an integral part of the financial statements.

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Statement of Cash Flows
For the year ended 31 March 2009
with comparative figures for 2008

	Actuals 2009 ($000)	Actuals 2008 ($000)
Funds provided from (applied to):		
OPERATIONS		
Annual surplus (deficit) - note 10	2,203,012	1,205,245
Add (Deduct) non-cash items:		
Amortization of foreign exchange gains/losses	(16,420)	(9,445)
Amortization of tangible capital assets	80,969	78,750
April writebacks	139,889	67,820
Deferred revenue	(1,170,136)	(318,731)
Other	166,147	(253,321)
Retirement costs	340,446	225,139
Sinking funds	(46,516)	(49,149)
Valuation allowances	(3,553)	26,490
Net cash provided from (applied to) operating transactions	1,693,838	972,798
CAPITAL		
Acquisitions	(189,695)	(132,773)
Disposals	219	143
Net cash provided from (applied to) capital transactions	(189,476)	(132,630)
FINANCING		
Debt issued	-	650,000
Debt retirement	(291,635)	(479,126)
Equalization loan	(31,534)	(37,840)
Retirement of pension liabilities	(181)	(582,000)
Sinking fund contributions	(52,653)	(42,903)
Sinking fund proceeds	-	265,132
Special purpose funds/contractors' holdback funds	932	10,097
Treasury bills purchased	1,929,050	2,478,444
Treasury bills redeemed	(1,926,076)	(2,477,141)
Net cash provided from (applied to) financing transactions	(372,097)	(215,337)
INVESTING		
Loan advances and investments	(330,662)	(9,638)
Loan repayments	272	130
Net cash provided from (applied to) investing transactions	(330,390)	(9,508)
Net cash provided (applied)	801,875	615,323
Cash and temporary investments - beginning of period	1,048,612	433,289
CASH AND TEMPORARY INVESTMENTS - end of period - note 2	1,850,487	1,048,612

The accompanying notes and supporting schedules form an integral part of the financial statements.

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Notes to the Financial Statements
For the year ended 31 March 2009

1. Summary of Significant Accounting Policies

(a) The Reporting Entity

The Reporting Entity includes the accounts and financial activities of the Consolidated Revenue Fund. Pursuant to the *Financial Administration Act* of the Province all public monies are accounted for through the Fund.

(b) Basis of Accounting

(i) *Method*

These financial statements are prepared on the accrual basis of accounting, revenues being recorded when earned and expenses being recorded when liabilities are incurred, with exceptions made in accordance with the applicable significant accounting policies.

(ii) *Revenues*

Revenues from the Government of Canada under the federal-provincial fiscal arrangements, health and social transfers and tax collection agreements are based on regular entitlements received for the current year and adjusted against future years' revenues when known.

Other revenues are recorded on an accrual basis.

(iii) *Expenses*

Expenses are recorded on an accrual basis.

Retirement related costs are determined as the cost of benefits and interest on the liabilities accrued, as well as amortization of experience gains and losses.

(iv) *Assets*

Temporary investments are recorded at cost or market value, whichever is lower.

Government of Canada - claims in process are recorded as a receivable based on claims outstanding at 31 March and relate mainly to cost-shared agreements.

Inventories of supplies are comprised of items which are held for consumption that will be used by the Province in the course of its operations.

Accounts and taxes receivable are recorded for all amounts due for work performed and goods or services supplied. Valuation allowances are provided when collection is considered doubtful.

Loans, advances and mortgages receivable are recorded at cost. Valuation allowances are recorded to reflect assets at the lower of cost or net recoverable value. Loans made by the Province that are expected to be recovered from future appropriations are accounted for as expenses by providing valuation allowances. Interest revenue on loans receivable is recognized when earned and ceases when collection is not reasonably assured.

Investments are recorded at cost and are written down when there is a loss in value that is other than a temporary decline.

Tangible capital assets held by the Province are recorded at cost or estimated cost less accumulated amortization.

Unrealized foreign exchange gains or losses are deferred and amortized on a straight line basis over the remaining term of the debt.

(v) *Liabilities*

Other liabilities are recorded for all amounts due for work performed, goods or services received or for charges incurred in accordance with the terms of a contract.

Deferred revenue represents amounts received but not earned.

Debenture and other debt, except treasury bills, are recorded at face value. Treasury bills are recorded at net proceeds.

The Province records foreign-denominated debt in Canadian dollars translated at the exchange rate on the transaction date which is considered to be the issue date; except for the proceeds of hedged transactions which are recorded at the rate as established by the terms of that hedge. Foreign-denominated sinking fund assets are also recorded in Canadian dollars and transactions are translated at the exchange rate used in recording the related debt. At 31 March, foreign debt and sinking funds are adjusted to reflect the exchange rate in effect on that date.

(vi) *Government Transfers*

Government transfers are recognized by the Province as revenues or expenses in the period during which both the payment is authorized and any eligibility criteria are met.

(vii) *Loan Guarantees*

The Province has guaranteed the repayment of principal and interest on certain debentures and bank loans on behalf of Crown corporations, municipalities, private sector companies and certain individuals. A provision for losses on these guarantees is established when it is determined that a loss is likely.

(c) Generally Accepted Accounting Principles

The accounting policies followed in the preparation of these financial statements have been applied consistent with generally accepted accounting principles for senior governments as established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

2. Cash and Temporary Investments

Cash and temporary investments consist of:

	31 March 2009	31 March 2008
	($mil)	($mil)
Temporary investments - note 15	61.1	790.7
Cash balance (overdraft)	1,789.4	257.9
Total	1,850.5	1,048.6

As at 31 March 2009, these investments have maturity dates ranging from 31 March 2010 to 31 March 2013 at an interest rate of prime less 1.85%.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Government of Canada - Claims in Process

Consists of:

	31 March 2009	31 March 2008
	($mil)	($mil)
Claims receivable at 31 March not received in April	107.5	70.1
Receipts in April	18.6	14.8
Total	126.1	84.9

4. Deferred Revenue

Consists of:

	31 March 2009	31 March 2008	Change
	($mil)	($mil)	($mil)
Federal initiatives in support of post-secondary education, public transit, clean air and climate change, affordable housing, off reserve aboriginal housing, community development, and police officers	51.9	39.8	12.1
Federal government funding for various health care initiatives	30.7	50.6	(19.9)
Other miscellaneous programs	1.5	0.2	1.3
Atlantic Accord (2005) - unearned balance of the $2.0 billion advance payment received in 2005-06	-	1,152.8	(1,152.8)
Gas tax initiatives	-	10.8	(10.8)
Total Deferred Revenue	84.1	1,254.2	(1,170.1)

The balance as of 31 March 2009 will be recognized as revenue in the periods in which the revenue recognition criteria have been met.

The $1,152.8 million deferred balance of the Atlantic Accord (2005) at 31 March 2008 has been recognized in full as revenue for the 31 March 2009 fiscal year as the revenue recognition criteria has been met since the Province no longer qualifies for Equalization.

5. Sinking Fund

The value of the sinking funds as recorded in the Newfoundland and Labrador Government Sinking Fund financial statements is reflected in these financial statements.

The Sinking Fund Assets consist of:

	31 March 2009	31 March 2008
	($mil)	($mil)
Investments at cost	736.1	522.0
Amortization of bond discount	95.0	86.9
Investments at amortized cost	831.1	608.9
Cash and receivables less accounts payable	45.4	117.9
Net Sinking Fund Assets - translated at 31 March	876.5	726.8

The net sinking fund assets balance of $876.5 million Canadian dollars as at 31 March 2009 includes $245.5 million U.S. dollars translated to $309.6 million Canadian dollars in accordance with current practice.

The net sinking fund assets balance of $726.8 million Canadian dollars as at 31 March 2008 includes $224.7 million U.S. dollars translated to $230.6 million Canadian dollars in accordance with current practice.

The Province does not anticipate conversion of the U.S. dollars to Canadian dollars as the U.S. funds will be used to retire U.S. debt.

6. Unamortized Unrealized Foreign Exchange Gains and Losses

Foreign currency debt and sinking funds are translated to Canadian dollars at the exchange rate at 31 March 2009 or the exchange rate at maturity for those debt and sinking funds retired during the fiscal year. See Schedule F - Debenture and Other Debt. Details of the effect of these translations at year end are outlined in the table below.

The net amortization expense is $13.2 million which represents a credit adjustment (31 March 2008 - $10.8 million-credit adjustment). This is included in debt expenses on the Statement of Operations.

	31 March 2009	31 March 2008
	($mil)	($mil)
Foreign exchange gain (loss):		
Debt	(52.7)	226.2
Sinking funds	12.4	(70.5)
Net	(40.3)	155.7
Total accumulated amortization	53.7	66.9
Net unamortized unrealized foreign exchange gains (losses)	13.4	222.6

7. Provision for Guaranteed Debt

The provision for possible losses on guaranteed debt is nil (31 March 2008 - nil) (see note 13(a)).

8. Retirement Benefits - Group Health and Life Insurance

All retired employees of the Government of Newfoundland and Labrador who are receiving a pension from the Public Service Pension Plan, Uniformed Services Pension Plan, Members of the House of Assembly Pension Plan or the Provincial Court Judges' Pension Plan are eligible to participate in the group insurance program sponsored by Government. All retired teachers who are receiving a pension from the Teachers' Pension Plan are eligible for coverage under the group insurance program sponsored by the Newfoundland and Labrador Teachers Association (NLTA) and cost shared by Government. These programs provide both group health and group life benefits to enrolled retirees.

Under Government's program, the Province contributes 50% towards group health and group life premiums for both employees and retirees. Government also contributes 50% towards group health and group life premiums for both teachers and retirees insured under the programs sponsored by the NLTA, subject to the maximum rates under Government's program. As at 31 March 2009, the plans provided benefits to 17,458 retirees.

Actuarial Valuations

The actuarial valuation which was prepared by the Province's actuaries (valuation date of 31 March 2009) was based on a number of assumptions about future events including an interest rate of 5.20%, Consumer Price Index (CPI) of 2.50%, as well as other assumptions such as health care cost trends, wage and salary increases, termination rates, plan participation rates, utilization rates and mortality. The assumptions used reflect the Province's best estimates of expected long-term rates and short-term forecasts.

Group Health and Life Insurance Retirement Benefits Liability

Details of the group health and life insurance retirement benefits liability are outlined in the table below:

Plan	Estimated Accrued Benefit Obligation	Unamortized Experience Losses	Net Liability 2009	Net Liability 2008	Change
	($mil)	($mil)	($mil)	($mil)	($mil)
Group health retirement benefits	1,660.2	(173.0)	1,487.2	1,381.1	106.1
Group life insurance retirement benefits	81.4	(6.0)	75.4	73.2	2.2
	1,741.6	(179.0)	1,562.6	1,454.3	108.3

There are no fund assets associated with these plans.

Group Health and Life Insurance Retirement Benefits Expense

In these statements, group health and life insurance retirement benefits costs have been determined as the cost of benefits accrued during the period. Interest on the liability has been accrued for the same period.

The change in the liability for the current period is comprised of the following amounts:

Plan	Province's Share of Current Period Costs	Interest Expense on the Liability	Province's Current Period Contributions	Current Period Amortization of Experience Changes	Plan Amendments	Change
	($mil)	($mil)	($mil)	($mil)	($mil)	($mil)
Group health retirement benefits	42.1	73.5	(24.8)	15.3	-	106.1
Group life insurance retirement benefits	1.3	3.4	(2.5)	-	-	2.2
	43.4	76.9	(27.3)	15.3	-	108.3

Interest expense related to the group health and life insurance retirement benefits liability is included with interest as debt expenses in the financial statements. Interest related to group health and life insurance retirement benefits for 31 March 2008 amounted to $72.7 million.

Experience Gains or Losses

Experience gains or losses are amortized over the estimated average remaining service life of active participants. The amortization amount is included with retirement costs in the financial statements commencing in the year subsequent to the year in which the experience gain or loss arose.

9. Retirement Benefits - Pensions

Defined Benefits

The Government of Newfoundland and Labrador guarantees defined benefit pension plans for substantially all of its full time employees, and those of its Agencies, Boards and Commissions and for members of its Legislature. The plans are - the Public Service Pension Plan, Teachers' Pension Plan, Uniformed Services Pension Plan, the Members of the House of Assembly Pension Plan, and the Provincial Court Judges' Pension Plan. Combined, the plans have 36,105 participants as at 31 March 2009.

The Plans provide for pensions based on employees' length of service and highest average earnings. Employees contribute a defined percentage of their salary, and the employer generally matches this amount. As at 31 March 2009, the plans provided benefits to 22,584 pensioners. Inflation protection is not extended to pensioners of the Uniformed Services Pension Plan or the Members of the House of Assembly Pension Plan nor to pensioners of the Teachers' Pension Plan who retired prior to 01 September 1998.

In 1980, the Province of Newfoundland and Labrador Pooled Pension Fund was established by the *Pensions Funding Act*, with the Minister of Finance as Trustee. This Fund administers all financial activity of these five plans, including the collection of all contributions and the payment of pensions and the investment of funds. The Consolidated Revenue Fund guarantees any deficiency in the event assets of a plan are insufficient to meet benefit payments or administration costs.

Contribution and Benefit Formulae

Public Service Pension Plan

Employee contributions are 8.6% of pensionable salary, less a formulated amount representing contributions to the Canada Pension Plan (CPP). A pension benefit is available based on the number of years of pensionable service times 2% of the employee's best five years average salary, reduced by a formulated amount representing CPP pension benefits for each year since 1967.

During 2006-07 plan legislation was enacted consistent with the two components of the Plan. The Registered component will continue to be administered within the Province of Newfoundland and Labrador Pooled Pension Fund and will provide benefits based on limits set out in the federal *Income Tax Act*. The Supplementary component will be administered in the accounts of the Consolidated Revenue Fund and will provide for the remainder of benefits under the Plan.

Teachers' Pension Plan

Employee contributions are 9.35% of pensionable salary. A pension benefit is available based on the number of years of pensionable service prior to 1 January 1991 times 1/45th of the employee's best five years average salary, plus 2% of the employee's best five years average salary times years of pensionable service after that date, reduced by a formulated amount representing CPP pension benefits for each year since 1967. The CPP reduction only applies to pensioners who retired after 31 August 1998.

During 2006-07 plan legislation was enacted consistent with the two components of the Plan. The Registered component will continue to be administered within the Province of Newfoundland and Labrador Pooled Pension Fund and will provide benefits based on limits set out in the federal *Income Tax Act*. The Supplementary component will be administered in the accounts of the Consolidated Revenue Fund and will provide for the remainder of benefits under the Plan.

Uniformed Services Pension Plan

Employee contributions are 9.95% of pensionable salary, less a formulated amount representing contributions to the CPP. A pension benefit is available based on the number of years pensionable service times 2% of the employee's best three years average salary, reduced by a formulated amount representing CPP pension benefits since 1967. Grandfathered members have higher service accrual pensions in recognition of their higher contributions.

Members of the House of Assembly Pension Plan

Member contributions are 9% of pensionable salary, which includes salary as a Minister, if applicable. A pension benefit is available after serving as a Member in, at least, two General Assemblies and for, at least, five years. The benefit formula is based on years of service expressed as a percentage of the average pensionable salary for the best three years. The percentage varies being 5% for each of the first ten years, 4% for each of the next five years and 2.5% for each of the next two years of service as a Member. For members elected for the first time after 1 April 1998, the percentage is 5% for the first ten years and 2.5% for each of the next ten years. The accrued benefit is reduced by a formulated amount representing CPP pension benefits for each year since 1967. Ministers receive an additional pension amount calculated similarly, based on service and pensionable salary as a Minister.

During 2005-06 the *Members of the House of Assembly Retiring Allowances Act* was enacted to restructure the Members of the House of Assembly Pension Plan into two components based on limits set out in the federal *Income Tax Act*. The first, or Registered component, will continue to be administered within the Province of Newfoundland and Labrador Pooled Pension Fund. The second, or the Supplementary Employee Retirement component, will be administered in the accounts of the Consolidated Revenue Fund.

Provincial Court Judges' Pension Plan

Effective 01 April 2002 (pursuant to the *Provincial Court Judges' Pension Plan Act* enacted 08 June 2004) the Provincial Court Judges' Pension Plan was established with then-existing judges being given the one-time option of transferring from the Public Service Pension Plan. All judges appointed subsequent to 01 April 2002 are required to join this Plan. Employee contributions are 9% of pensionable salary. A pension benefit is available based on the number of years pensionable service times 3.33% of the employee's annual salary. The Registered component of the Plan, administered within the Province of Newfoundland and Labrador Pooled Pension Fund, provides benefits based on limits set out in the federal *Income Tax Act* with the remainder of the benefit provided by the Supplementary component. The Supplementary component will be administered in the accounts of the Consolidated Revenue Fund.

Actuarial Valuations

The actuarial valuations which are prepared by the Province's actuaries were based on a number of assumptions about future events, such as interest rates, wage and salary increases, inflation rates and rates of employee turnover, disability and mortality. The assumptions used reflect the Province's best estimates of expected long-term rates and short-term forecasts. The expected interest and inflation rates follow:

Expected Interest Rates

The expected average interest rate for the Public Service Pension Plan is 7.5%. The expected rate for the Teachers' Pension Plan is 7.5% projected on a long-term basis. The expected rate for the Uniformed Services Pension Plan is 7.5% projected on a long-term basis. The expected rate for the Members of the House of Assembly Pension Plan is 7.5% for the Registered component and 4.66% for the Supplementary Employee Retirement component, projected on a long-term basis. The expected rate for the Provincial Court Judges' Pension Plan is 7.0% for the Registered component and 4.685% for the Supplementary Employee Retirement component, projected on a long-term basis.

Expected Inflation Rates

The expected inflation rate for all pension plans is 2.50%.

The latest actuarial valuations for the Province's pension plans, according to the administrators of those plans, are dated as listed in the following table:

Pension Plan	Valuation Date
Public Service	31 December 2006
Teachers'	31 August 2006
Uniformed Services	31 December 2005
Members of the House of Assembly	31 December 2006
Provincial Court Judges'	31 December 2007

Actuarial extrapolations are provided for accounting purposes by the Province's actuaries based on the above dates, unless otherwise noted.

Pension Liability

Details of the pension liability are outlined in the table below. The estimated accrued benefit obligation and the value of the plan assets reported below have been extrapolated by the Province's actuaries to 31 March 2009. The actual results of future valuations may result in variances from these extrapolations.

Pension Plan	Estimated Accrued Benefit Obligation	Fund Assets	Unamortized Experience Gains (Losses)	Net Unfunded Liability 2009	Net Unfunded Liability 2008	Change
	($mil)	($mil)	($mil)	($mil)	($mil)	($mil)
Public Service	5,212.9	2,735.9	(1,439.2)	1,037.8	911.6	126.2
Teachers'	3,602.6	2,087.1	(1,164.2)	351.3	270.2	81.1
Uniformed Services	320.9	45.1	(52.9)	222.9	202.3	20.6
Members of the House of Assembly	88.6	9.3	(17.2)	62.1	58.8	3.3
Provincial Court Judges'	8.9	2.2	(0.7)	6.0	5.2	0.8
Total	9,233.9	4,879.6	(2,674.2)	1,680.1	1,448.1	232.0

Pension Fund Assets are valued at the market value at 31 December 2008 and projected to year end.

Special Payments

Pursuant to the applicable pensions legislation, the Province had agreed to make special payments of $60 million annually into the Public Service Pension Plan as long as the plan remains unfunded. The agreement was amended during 2006-07 to replace this annual funding as a result of the commitment of the Province to make a one time total contribution of $982 million to the Public Service Pension Plan to help address the unfunded liability. This commitment was completed during 2007-08. Also, commencing in 2001-02, the Province began making annual payments of $7.5 million to the Members of the House of Assembly Pension Plan, however, these payments will only be allowable under the federal *Income Tax Act* to the extent that they fully fund the Registered component of the Plan. There were no special payments made to the Members of the House of Assembly Pension Plan in 2008-09. During 2008-09 the Province made a payment of $181,278 to fully fund the accrued benefit obligation as at 31 December 2007 of the registered portion of the Provincial Court Judges' Pension Plan.

Pension Expense

In these statements, pension costs have been determined as the cost of benefits accrued during the period. Interest on the unfunded liability has been accrued for the same period.

The change in the unfunded liability for the current period for each plan is comprised of the following amounts:

Pension Plan	Province's Share of Pension Benefits Earned for the Period	Pension Interest Expense on the Unfunded Liability	Province's Current Period Pension Contributions	Current Period Amortization of Experience Changes	Other Adjustments	Unfunded Portion of Current Period Pension Change
	($mil)	($mil)	($mil)	($mil)	($mil)	($mil)
Public Service	15.6	95.2	(25.7)	41.1	-	126.2
Teachers'	25.7	45.9	(37.0)	46.5	-	81.1
Uniformed Services	3.7	16.9	(2.9)	2.9	-	20.6
Members of the House of Assembly	2.7	3.5	(6.6)	3.7	-	3.3
Provincial Court Judges'	0.8	0.3	(0.4)	0.1	-	0.8
Total	48.5	161.8	(72.6)	94.3	-	232.0

Pension interest expense is included with interest as debt expenses in the financial statements. Pension interest expense for 31 March 2008 amounted to $113.4 million.

Experience Gains or Losses

Experience gains or losses are amortized over the estimated average remaining service life of active contributors. The amortization amount is included with retirement costs in the financial statements commencing in the year subsequent to the year in which the experience gain or loss arose.

Other Pension Plans

The Government Money Purchase Pension Plan was established for employees whose employment status does not qualify them for participation in another of their employer's pension plans. This plan has approximately 28,625 participants. Employees contribute 5% of their salary to the Plan and the Province generally matches this contribution. Each employee will receive an annuity at retirement, the value of which is determined by their accumulated contributions plus investment earnings. This Plan is administered by the London Life Insurance Company and at 31 March 2009 assets had a market value of $200.1 million (31 March 2008 - $223.3 million).

10. Prior Period Adjustment

The tangible capital assets net book value as at 31 March 2008 has been decreased from $1,203.3 million to $1,159.6 million (decrease of $43.7 million) due to the reporting of tangible capital assets information which was subsequently determined to be inconsistent with the Province's tangible capital asset policies. These adjustments have been applied retroactively with restatement. As a result, the surplus for 2007-08 of $1,221.9 million has been decreased by $16.7 million resulting in a revised surplus of $1,205.2 million. In addition, the accumulated deficit for 31 March 2008 accordingly increased by $43.7 million; of which $27.0 million related to the 31 March 2007 and prior fiscal years. The comparative figures for 31 March 2008 have been revised in the various statements to reflect the impact of this prior period adjustment.

11. Current and Capital Account

The annual surplus of $2,203.0 million (31 March 2008 - surplus of $1,205.2 million) is comprised of a surplus on the current account of $2,479.2 million (31 March 2008 - surplus of $1,467.5 million) and a deficit on the capital account of $276.2 million (31 March 2008 - deficit of $262.3 million). The classification of revenue and expenses between current account items and capital account items follow the classifications as per the Estimates for the purposes of categorizing the annual deficit.

12. Amounts Capitalized

Funds advanced to Crown agencies may be in the form of investments in such agencies or as loans or advances. Payments and receipts related to principal portions of these loans, advances and investments are capitalized on the Statement of Financial Position. Depending upon the relevant legislation and/or particular circumstances under which a Crown agency is established, the profits generated by their operations may be: (a) turned over to the Province and recorded as revenue; (b) used to repay loans and advances made to the agency by the Province; or (c) retained by the agency.

Amounts capitalized for 31 March 2009 amounted to $331.8 million (31 March 2008 - $11.5 million). See Schedule K - Reconciliation of Budgetary Contribution (Requirement) to Accrual.

13. Contingent Liabilities

(a) Guaranteed Debt

Guarantees made by the Province as at 31 March 2009 amounted to $1,748.6 million (31 March 2008 - $1,865.1 million). In addition, the Province guaranteed the interest thereon. See Schedule G - Guaranteed Debt.

(b) Legal Actions

(i) There have been a number of statements of claim alleging negligence on the part of Government employees and agencies in not preventing abuse while these claimants were under Government care.

(ii) A number of claims have been filed against the Province for alleged breaches of contracts and/or tenders as well as for general damages and personal claims pursuant to action initiated by the Province.

(c) Other

(i) *Registrar of the Supreme Court*

The Province of Newfoundland and Labrador guarantees all sums required to discharge the balances of the Registrar of the Supreme Court as administrator, guardian, trustee, etc. (*Judicature Act*). See Schedule I - Trust Accounts.

(ii) *Pensions*

a) Province of Newfoundland and Labrador Pooled Pension Fund

Pursuant to Section 9 of the *Pensions Funding Act*, the Consolidated Revenue Fund is liable for any deficiency in the Province of Newfoundland and Labrador Pooled Pension Fund covered by that Act. See note 9.

b) Memorial University of Newfoundland Pension Fund

Pursuant to Section 6 of the *Memorial University Pensions Act*, if there is insufficient money in the Memorial University of Newfoundland Pension Fund to provide for the payment of applicable expenditures as they fall due, the Consolidated Revenue Fund is liable for payment of an amount to cover the deficiency. As at 31 March 2009, the Memorial University of Newfoundland Pension Plan had an unfunded pension liability for funding purposes of $271.0 million. However, there currently exists sufficient money in the Fund for the payment of expenditures as they fall due.

(iii) *Trust Accounts*

Generally, the Province is contingently liable for any shortage that may occur for certain funds held in trust by the Province. Currently, all obligations held have an offsetting asset. See Schedule I - Trust Accounts.

(iv) *Canadian Saltfish Corporation*

On 17 July 1970, the Province entered into an agreement with the Government of Canada for the marketing of saltfish products by the Canadian Saltfish Corporation (the Corporation), pursuant to the *Saltfish Act*. The Agreement provided that the Province is required to pay to the Government of Canada a proportional share of 50 per cent of the losses of the Corporation. This share is based on the total value of annual sales of cured fish products applicable to each participating province.

On 19 February 1993, the Government of Canada requested that the Province compensate it for losses incurred to 31 March 1992. The amount which the Government of Canada calculated as the Province's share of the losses was $21.6 million.

The Corporation was dissolved with effect from 1 April 1995, so that resolution of the matter will be between the Government of Canada and the Province. However, the Province takes the position that for a number of reasons, including the fact that the Corporation engaged in activities beyond its mandate as determined by the Auditor General of Canada and confirmed by the Department of Justice of Canada, it is not liable for the amount claimed.

(v) *Newfoundland and Labrador Student Loans Program*

Under the loan guarantee component of this Program, the Province has issued guarantees totalling $0.1 million. Under the debt reduction component of the Program, the Province is contingently liable for possible grants totalling $14.5 million, of which $10.9 million has been recorded as a provision for likely amounts payable related to student loans due to the debt reduction component. See Schedule E - Other Liabilities.

(vi) *Environmental Responsibility*

As a result of delivering its stated programs and initiatives, there are a number of sites throughout the Province which are considered potentially contaminated sites. A liability will be accrued in the financial statements when it has been determined that the Province is liable for a site which has become contaminated and where a reasonable estimate of the remediation costs can be made. To date, $7.9 million has been recorded (see Schedule E - Other Liabilities).

Where it is uncertain as to whether an obligation exists for the Province to remediate a contaminated site, then information on any such sites will be disclosed as contingent liabilities.

As at 31 March 2009, while the Province is aware of a number of contaminated sites, the full extent of the remediation costs for these known sites is not readily determinable. It is the responsibility of the departments to identify any other potentially contaminated sites which are owned by the Province and to collect the information necessary to assess the extent or likelihood of any environmental damage. As contaminated sites are identified, additional environmental liabilities may be recognized or contingent liabilities disclosed due to newly identified sites and/or changes in the assessments of currently known sites.

14. Contractual Obligations

Contractual obligations to outside organizations in respect of contracts entered into before 31 March 2009 amount to $651.8 million of which $303.2 million (31 March 2008 - $304.7 million) is for capital projects, $175.4 million for provincial policing service agreement, $73.2 million for ferry services, $33.9 million for information technology services, $28.0 million for lease payments, $12.9 million for forestry management and $25.2 million for other projects.

These contractual obligations will become liabilities and expenses of the Consolidated Revenue Fund when the terms of the contracts are met. Payments in respect of these contracts and agreements are subject to the voting of supply by the Legislature.

15. Cash Requirements

The following summarizes the actual cash requirements, borrowings and utilization of the borrowings in excess of cash requirements for the year ended 31 March 2009. The total borrowing contribution has been adjusted for the modifications to the cash basis of accounting to arrive at the cash requirement. Please refer to the Report on the Program Expenditures and Revenues of the Consolidated Revenue Fund for the year ended 31 March 2009 for further information on the calculation of the Total Borrowing Contribution of $666.0 million noted below.

	31 March 2009
	($mil)
Total Borrowing Contribution (Requirement)	666.0
Add (Deduct):	
Treasury bill borrowing repayments	(1,926.1)
Temporary investments 1 April 2008	790.7
Writeback expenditure - 2009	340.2
Writeback expenditure - 2008	(196.5)
Federal trust funds	(9.8)
Writeback revenue - 2009	(18.6)
Writeback revenue - 2008	14.8
Special purpose funds	(2.6)
Contractors holdback funds	3.6
Prior year's expenditure cheques recovered	3.0
Other Adjustments	(1.2)
Total Cash Requirements	(336.5)
Borrowings:	
Treasury bill borrowings	1,929.1
Increase (Decrease) in bank overdraft	(1,531.5)
Total Borrowings	397.6
Temporary Investments 31 March 2009	61.1

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. Mining Taxes

The Province remits a percentage of mining revenues received as taxes per the Labrador Inuit Land Claims Agreement and the Memorandum of Agreement concerning the Voisey's Bay Project. As at 31 March 2009, there was no payable due in relation to these agreements (31 March 2008 - $28.9 million).

17. Measurement Uncertainty

Measurement uncertainty exists when it is reasonably possible that there could be a material variance between the recognized amount and another reasonably possible amount, as there is whenever estimates are used. Estimates are based on the best information available at the time of preparation of the financial statements and are adjusted annually to reflect new information as it becomes available. Some examples of where measurement uncertainty exists are the accrual of retirement benefits, the allowance for guaranteed debt and the accrual of self-insured workers' compensation benefits.

18. Original Estimates

Certain amounts in the 2008-09 Estimates shown for comparative purposes were prepared on the accrual basis.

The primary focus of the accrual budget information presented in the 2008-09 Budget Speech was to adhere to the more general format of the Consolidated Statement of Operations in Volume I. The details of the budgeted revenue and expense items that comprised the annual surplus amount of $425.9 million (consistent with the more detailed format of the non-consolidated Statement of Operations in Volume II) were not disclosed in the 2008-09 Budget Speech but rather were obtained from internal documentation used to calculate the budgeted surplus disclosed in the 2008-09 Budget Speech. In addition, an amount for Net Debt was also obtained from internal documentation.

In arriving at the original estimate figures on the Statement of Operations, implicit costs associated with the acquisition of tangible capital assets, which were eliminated from these items, were estimated based on a reasonable allocation methodology.

19. Additional Notes

In addition to the aforementioned, there are various other notes disclosed in the schedules which follow.

20. Comparatives

Certain of the 31 March 2008 financial statement figures and related schedules have been restated to be consistent with the 31 March 2009 statement presentation.

Schedule A

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Accounts and Taxes Receivable
As at 31 March 2009
with comparative figures for 2008

	2009	2008
	($000)	($000)
Accounts Receivable:		
Offshore royalties	215,154	435,066
Crown agencies working capital and unremitted profits	55,377	50,209
Court fines	34,819	31,743
Student loans	33,132	35,021
Social assistance overpayments	29,117	29,514
Miscellaneous/other receivables	16,584	11,143
Rent and other royalties/permits to occupy	4,896	5,994
Reciprocal billings - medical services	4,472	5,567
Workplace, Health, Safety and Compensation Commission	2,637	2,999
Atlantic Lottery Corporation Incorporated	2,352	1,250
Accident claims recoveries	1,865	1,451
Due from municipalities	1,254	879
Due from Members of the House of Assembly	842	1,057
Fees and licences	780	791
Province of Newfoundland and Labrador Pooled Pension Fund	618	506
Medical care plan audit recoveries	503	423
Accrued interest on temporary investments	228	1,416
Travel advances	173	182
Due from Government of Canada	135	5,270
Total Accounts Receivable	404,938	620,481
Taxes Receivable:		
Sales tax	98,658	64,378
Mining and mineral rights tax	72,442	20,402
Corporate income tax	27,825	-
Gasoline tax	12,983	11,535
School tax	9,770	10,020
Tobacco tax	9,168	9,424
Health and post secondary education tax	9,154	8,550
Insurance companies tax	3,543	3,348
Miscellaneous/other taxes	108	158
Forest management tax	1	723
Total Taxes Receivable	243,652	128,538
Total Accounts and Taxes Receivable	648,590	749,019

NOTE

The allowance for doubtful accounts for 31 March 2009 is $78.2 million (31 March 2008 - $77.6 million).

Schedule B

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Loans, Advances and Mortgages Receivable
As at 31 March 2009
with comparative figures for 2008

	2009 ($000)	2008 ($000)
Crown Agencies:		
Business Investment Corporation - note 1	54,357	54,357
C.A. Pippy Park Commission	250	250
Newfoundland and Labrador Film Development Corporation	6,819	6,819
Newfoundland and Labrador Industrial Development Corporation - note 2	-	29,412
Total Crown Agencies	61,426	90,838
Commercial Loans:		
A. L. Stuckless & Sons Limited	1,217	1,217
Atlantic Fisheries Limited	980	980
Clear Risk Inc	210	-
Cote's Mechanical Limited	200	200
Doyle, James & Sons Ltd.	771	771
Easteel Industries Limited	3,658	3,658
Eastern Ocean Products Limited	163	163
George Sexton Limited	50	50
Grandy, Gordon	90	90
Griffiths Guitars International Inc.	171	424
Hughes, Vincent	50	50
Island Seafoods Products Limited	188	209
Keats, Eric	102	102
Koby Seat Inc.	8	2
Mediclink Systems Limited	58	58
Melindy, John	191	191
MyTelescope.com Inc.	315	-
Newfound Harvesting Limited	2,727	2,727
Newman, Raymond	162	162
Northeast Coast Sealers Co-op Society Limited	378	378
Object Oriented Concepts Inc.	325	-
O'Rourke, Rupert	337	337
Pittman, Thomas	93	93
Pumphrey, Gerry	537	537
Saunders, Ralph	61	61
Seacraft Limited	38	-
Seaward, Alphonsus	99	99
Short, William	262	262
Superior Waterproof Coatings NF & LB Inc.	154	154
Sweet, Roy	49	49
Terra Nova Marine Co. Ltd.	400	-
Terra Nova Shoes ULC	8,000	-
Vokey's Shipyard Limited	100	100
Whelan, Ormond	853	853

LOANS, ADVANCES AND MORTGAGES RECEIVABLE (continued)

	2009	2008
	($000)	($000)
Commercial Loans:		
White's Fisheries Limited	50	50
Wilson, Ronald and Curtis, Kevin	299	299
Total Commercial Loans	23,346	14,326
Other Organizations:		
Gros Morne Mortgages	65	64
Municipalities	343	474
Total Other Organizations	408	538
Total Loans, Advances and Mortgages Receivable	85,180	105,702

NOTES

1. Business Investment Corporation

The Province advanced funds to Business Investment Corporation for the purpose of making loans and equity investments to enable it to carry out its mandate. The advances were non-interest bearing and had no fixed terms of repayment or maturity date.

2. Newfoundland and Labrador Industrial Development Corporation

Funds have been advanced, or assets transferred, to Newfoundland and Labrador Industrial Development Corporation for the purpose of providing long-term financing to industrial and resource based companies. In return, the Province would receive non-interest bearing notes with no fixed terms of repayment or maturity dates. Any balance available out of net profits or equity redemptions is to be paid to the Province at such intervals and in a manner that the Minister of Finance may direct.

During the year, the Legislature of the Province passed the Energy Corporation of Newfoundland and Labrador Water Rights Act which extinguished NIDC's water rights to the Lower Churchill River without any compensation. These water rights, valued at $30.0 million, had been purchased by NIDC with funding provided by the Province. As a result of the expropriation, there was no prospect of repayment of the corresponding long term debt by NIDC. Consequently, Treasury Board directed that the $29.4 million debt owed by NIDC to the Province be written off.

3. Interest Rates and Loan Terms

Interest rates on loans range from non-interest bearing to 14% and are repayable over terms not exceeding twenty-five years.

4. Allowance for Doubtful Accounts

The allowance for doubtful accounts for 31 March 2009 is $77.3 million (31 March 2008 - $104.6 million).

Schedule C

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Investments
As at 31 March 2009
with comparative figures for 2008

Description of Investment	Net Additions	Balance 31 March 2009 No. of Shares	Balance 31 March 2009 Cost	2008 Cost
	($000)		($000)	($000)
Preferred Shares:				
Atlantic Ocean Farms Limited - Class "A", redeemable	-	289,655	290	290
Blue Line Innovations Inc. - Class "B"	-	5,000	500	500
Cold Ocean Salmon Inc. - Class "A"	-	7,250	7,250	7,250
Country Ribbon Inc.	-	4,500	4,500	4,500
Gray Aqua Group Ltd. - Class "A"	1,000	1,000,000	1,000	-
Orphan Industries Limited - Class "B"	-	97,000	970	970
Pixecur Technologies Inc. - redeemable	-	4,000	400	400
Total Preferred Shares Investments	1,000		14,910	13,910
Common Shares:				
ACF Equity Atlantic Inc.	-	2,390,000	2,231	2,231
ACZEN Innovations Inc. - Class "A".	26	263	26	-
Adfinitum Networks Inc.	65	1,850	65	-
Atlantic Lottery Corporation Inc.	-	1	-	-
Consilient Technologies Corporation - Class "B"	-	568,182	500	500
Dockside Appetizers Ltd.	-	310	31	31
First Choice Vision Centre Limited	277	4,537	277	-
Hurley Slate Works Company Inc. - Class "B"	-	400	400	400
Inter-Provincial Lottery Corporation	-	1	-	-
Jackman BrandMarketing Inc. - Class "B"	-	1,250	125	125
Manitoba Telecom Services Inc.	-	126	-	-
Marble Mountain Development Corporation	-	500	-	-
MedicLink Systems Ltd - Class "A"	-	3,517	352	352
Municipal Assessment Agency	-	1	-	-
Nalcor Energy Corporation	110,187	122,500,018	110,187	-
Newfound Genomics Inc.	500	5,000	500	-
Newfoundland and Labrador Film Development Corporation	-	600	-	-
Newfoundland and Labrador Hydro Electric Corporation	(10,187)	-	-	10,187
Newfoundland and Labrador Immigrant Investor Fund Ltd	-	3	-	-
Newfoundland Government Fund Limited	-	2	-	-
Newfoundland Hardwoods Limited	-	253	26	26
Newfoundland Ocean Enterprises Limited	-	3	3	3
Newlab Clinical Research Inc. - Class "A"	-	5,000	500	500
Northern Radar Inc. - Class "C"	-	3,749	375	375
Rooms Corporation of Newfoundland and Labrador Inc.	-	500	-	-

INVESTMENTS (continued)

Description of Investment	Net Additions	Balance 31 March 2009 No. of Shares	Balance 31 March 2009 Cost	2008 Cost
	($000)		($000)	($000)
Common Shares:				
SAC Mfg. Inc. - Class "B"	-	500	500	500
Trans Ocean Gas Inc	-	18,000	90	90
Virtual Marine Technology Inc. - Class "A"	-	5,000	450	450
Total Common Shares Investments	100,868		116,638	15,770
Non-Share Equity:				
Nalcor Energy Corporation	219,500	-	219,500	-
Newfoundland and Labrador Housing Corporation	-	-	62,852	62,852
Total Non-Share Equity Investments	219,500	-	282,352	62,852
Total Investments	321,368		413,900	92,532

NOTE

Allowance for Investment Write-downs

The allowance for investment write-downs for 31 March 2009 is $3.3 million (31 March 2008 - $3.3 million).

Schedule D

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Tangible Capital Assets
As at 31 March 2009
with comparative figures for 2008

	Original Cost				Accumulated Amortization				
Category	Balance 31 March 2008	Additions 2009	Disposals 2009	Balance 31 March 2009	Balance 31 March 2008	Amort. Net of Disposals 2009	Balance 31 March 2009	Net Book Value 31 March 2009	Net Book Value 31 March 2008
	($mil)	($mil)	($mil)	($mil)	($mil)	($mil)	($mil)	($mil)	($mil)
Buildings	908.7	30.5	8.3	930.9	505.6	10.6	516.2	414.7	403.1
Marine vessels & aircraft	91.9	7.6	-	99.5	74.2	2.4	76.6	22.9	17.7
Equipment & machinery	128.6	16.3	6.7	138.2	79.5	1.3	80.8	57.4	49.1
Infrastructure	3,822.7	42.8	0.2	3,865.3	3,327.3	47.1	3,374.4	490.9	495.4
Computer software	50.8	1.7	-	52.5	34.6	5.2	39.8	12.7	16.2
Sub-total	5,002.7	98.9	15.2	5,086.4	4,021.2	66.6	4,087.8	998.6	981.5
Work in progress				268.9				268.9	178.1
Total				5,355.3				1,267.5	1,159.6

NOTES

1. Tangible Capital Assets

Tangible capital assets are capitalized on the Statement of Financial Position with the cost of the assets amortized over the estimated useful life of the assets. Fully amortized tangible capital assets are recorded at gross cost and accumulated amortization.

2. Work In Progress

Work in progress is considered to be a tangible capital asset, however it is not amortized as it is not yet available for use. Government currently has a number of projects under construction or development with a total for 31 March 2009 of $268.9 million (31 March 2008 - $178.1 million) having been spent on these projects to date. Upon completion, these assets are recorded in the appropriate category in the schedule. The additions of $98.9 million include $28.0 million of work in progress assets that have been capitalized in the year. Net additions to work in progress assets amount to $118.8 million for 2008-09.

3. Amortization Expense

Amortization net of disposals in the amount of $66.6 million as reported in the schedule consists of amortization expense of $81.0 million less accumulated amortization on assets disposed of in the year in the amount of $14.4 million.

Amortization net of disposals as at 31 March 2008 was $69.1 million which consisted of amortization expense of $78.8 million less accumulated amortization on assets disposed of in the year in the amount of $9.7 million.

TANGIBLE CAPITAL ASSETS (continued)

4. Estimated Useful Life

The historic cost of the assets is estimated in many cases, and amortization is calculated on a straight line basis over the following useful lives:

Asset	Estimated Useful Life
Buildings	40 years
Marine vessels & aircraft	
Marine vessels	20 years
Aircrafts	20 years
Equipment & machinery	
Heavy machinery and equipment	20 years
Snow removal machinery and equipment	10 years
Office/other machinery and equipment	10 years
Vehicles	5 years
Computer hardware	4 years
Infrastructure	
Roads	20 years
Airstrips	20 years
Marine facility infrastructure	20 years
Other infrastructure assets	20 years
Land	indefinite
Bridges	40 years
Computer software	7 years

5. Historical or Cultural Assets

In accordance with current accounting standards, certain assets which have historical or cultural value belonging to the Province are not included in this schedule. Such assets consist of paintings, sculptures, historical documents, and historical and cultural artifacts.

6. Intangible and Inherited Assets

Intangible assets and items inherited by right of the Crown, such as Crown lands, forest, and mineral resources, are not recognized as tangible capital assets in accordance with current accounting standards.

7. Leased Assets

The gross amount of leased tangible capital assets is $36.3 million (31 March 2008 - $38.2 million), amortization expense is $1.0 million (31 March 2008 - $1.2 million) and accumulated amortization is $18.4 million (31 March 2008 - $18.5 million). These are included in the appropriate category in the schedule.

TANGIBLE CAPITAL ASSETS (continued)

8. Prior Period Adjustment

As per note 10 to the financial statements, there is a prior period restatement resulting in a $43.7 million decrease in the net book value of tangible capital assets. Of this amount, $27.0 million relates to the cumulative effect on the beginning balance for the 2007-08 fiscal year which consists of the following changes with respect to each applicable asset category.

Category	Original Cost Increase (Decrease)	Accumulated Amortization Increase (Decrease)	Net Book Value Increase (Decrease)
	($mil)	($mil)	($mil)
Building	(6.3)	(0.2)	(6.1)
Equipment & machinery	0.5	0.3	0.2
Infrastructure	(48.7)	(6.6)	(42.1)
Computer software	0.3	-	0.3
Sub-total	(54.2)	(6.5)	(47.7)
Work in progress			20.7
Total			(27.0)

For the 2007-08 fiscal year, $16.7 million of the restatement consists of the following changes with respect to each applicable asset category:

Category	Original Cost Increase (Decrease)	Accumulated Amortization Increase (Decrease)	Net Book Value Increase (Decrease)
	($mil)	($mil)	($mil)
Building	(1.0)	(0.6)	(0.4)
Equipment & machinery	0.4	0.2	0.2
Infrastructure	12.6	(2.4)	15.0
Computer software	0.5	-	0.5
Sub-total	12.5	(2.8)	15.3
Work in progress			(32.0)
Total			(16.7)

Schedule E

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Other Liabilities
As at 31 March 2009
with comparative figures for 2008

	2009	2008
	($000)	($000)
Due to Government of Canada - note 1	535,150	454,213
Accounts payable write-backs	340,175	196,503
Due to municipalities	239,319	281,393
Salaries and benefits	177,417	157,080
Accrued interest	174,946	176,798
Offshore royalties	82,283	31,613
Physician services	33,236	29,639
Self-insured workers' compensation benefits - note 2	31,630	31,425
Capital leases - note 3	30,133	31,613
Accounts payable - other	23,252	19,790
Contractors' holdbacks	13,004	9,455
Provision for student loan debt reduction	10,898	15,546
Special purpose funds - note 4	10,802	13,419
Taxes payable	9,738	56,712
Environmental liabilities	7,853	8,274
Reciprocal billing - hospital services payable	5,465	5,448
St. Clare's Hospital - purchase	4,500	5,250
Due to Crown Agencies	3,341	4,246
	1,733,142	1,528,417

NOTES

1. Due to Government of Canada

The total due to the Government of Canada is $535.2 million. This amount is comprised of $271.2 million for an Equalization loan, $237.1 million for Equalization overpayments and $26.9 million for Health and Social transfer overpayments.

2. Self-Insured Workers' Compensation Benefits

The amount of $31.6 million relates to the self-insured workers' compensation benefits liability as at 31 March 2009 (31 March 2008 - $31.4 million). During the 2007-08 fiscal year, an actuarial valuation as of 31 December 2007, with disclosures as at 31 March 2009, was obtained for the Province's self-insured workers' compensation benefits.

3. Capital Leases

Interest rates for all capital leases range from 7.00% to 11.50% and have repayment schedules ranging in duration from less than a year to 15 years.

4. Special Purpose Funds

Included in this schedule are funds totalling $10.8 million (31 March 2008 - $13.4 million) considered to be special purpose funds whereby payments are made specifically for these purposes. Pursuant to Section 22(a) of the *Financial Administration Act*, appropriations are not required for these payments.

Schedule F

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Debenture and Other Debt
As at 31 March 2009
with comparative figures for 2008

Series	Date of Issue	Date of Maturity	Interest Rate %	Amount in Foreign Currency	Sinking Fund Balance	Amount Issued or Outstanding 2009	Amount Issued or Outstanding 2008	Notes
				($000)	($000)	($000)	($000)	
General Debentures:								
6G	07 Oct. 1998	07 Oct. 2008	5.70		-	-	250,000	1(a)
6J	03 Nov. 1999	03 Nov. 2009	6.70		-	200,000	200,000	1(a)
5R	25 Feb. 1987	25 Feb. 2010	9.38		55,875	55,875	55,875	1(a)
EC7	19 Feb. 2003	29 Dec. 2010	5.13			200,000	200,000	1(b)
6L	25 Jul. 2001	25 Jul. 2011	6.40			200,000	200,000	1(a)
5U	15 Feb. 1989	15 Feb. 2012	11.00		115,630	125,000	125,000	1(a)
EC6	12 May 1993	12 May 2013	5.65		45,441	81,734	81,734	1(b)
6S	04 Jun. 2004	04 Jun. 2014	5.25			300,000	300,000	1(a)
5V	22 Nov. 1989	22 Nov. 2014	10.13		95,021	150,000	150,000	1(a)
AG	01 Jun. 1989	01 Jun. 2019	9.00	(150,000 U.S.)	117,894	189,195	153,975	1(a)
AH	01 Jun. 1990	01 Jun. 2020	9.88	(150,000 U.S.)	34,886	189,195	153,975	1(a)
AJ	29 Nov. 1990	01 Dec. 2020	10.00	(150,000 U.S.)	33,375	189,195	153,975	1(a)
5X	15 Apr. 1991	15 Apr. 2021	10.95			147,892	147,892	1(a)
AK	17 Oct. 1991	15 Oct. 2021	9.00	(200,000 U.S.)	39,890	252,260	205,300	1(a)
AM	22 Oct. 1992	22 Oct. 2022	8.65	(200,000 U.S.)	35,586	252,260	205,300	1(a)
AN	13 Oct. 1993	13 Oct. 2023	7.32	(200,000 U.S.)	48,016	252,260	205,300	1(a)
6B	07 Jul. 1995	07 Jul. 2025	9.15		16,145	100,000	100,000	1(a)
6C	05 Feb. 1996	05 Feb. 2026	8.45		23,146	150,000	150,000	1(a)
6F	17 Apr. 1998	17 Apr. 2028	6.15		66,108	450,000	450,000	1(a)
6H	27 Jul. 1999	17 Oct. 2029	6.50		27,543	200,000	200,000	1(a)
6K	30 Jun. 2000	17 Oct. 2030	6.55		52,894	450,000	450,000	1(a)
6R	12 Jun. 2003	17 Oct. 2033	5.60		21,779	300,000	300,000	1(a)
6T	21 Sep. 2004	17 Oct. 2035	5.70		16,850	300,000	300,000	1(a)
6U	28 Nov. 2006	17 Apr. 2037	4.50		11,398	350,000	350,000	1(a)
6V	15 May 2007	17 Oct. 2040	4.65		10,005	650,000	650,000	1(a)
6Q	16 Aug. 2002	17 Oct. 2042	6.24		9,039	250,000	250,000	1(a)
	Total: General Debentures				876,521	5,984,866	5,988,326	
Other:								
Treasury bill borrowings					-	493,158	490,184	1(c)
	Total: Other				-	493,158	490,184	

DEBENTURE AND OTHER DEBT (continued)

Series	Date of Issue	Date of Maturity	Interest Rate %	Sinking Fund Balance	Amount Issued or Outstanding 2009	2008
				($000)	($000)	($000)
Government of Canada and Agencies:						
Canada Pension Plan Investment Fund						
Debentures - note 1(d)						
3A-259 to 3A-267	05 Apr. 1988 to 01 Dec. 1988	05 Apr. 2008 to 01 Dec. 2008	9.62 to 10.39	-	-	41,635
3A-268 to 3A-277	03 Apr. 1989 to 01 Mar. 1990	03 Apr. 2009 to 01 Mar. 2010	9.15 to 10.31	-	45,188	45,188
3A-278 to 3A-284	02 Apr. 1990 to 03 Dec. 1990	02 Apr. 2010 to 03 Dec. 2010	10.36 to 11.33	-	40,432	40,432
3A-285 to 3A-288	02 Apr. 1991 to 02 Jul. 1991	02 Apr. 2011 to 02 Jul. 2011	9.81 to 10.04	-	40,858	40,858
3A-289 to 3A-291	01 May 1992 to 02 Jul. 1992	01 May 2012 to 02 Jul. 2012	9.17 to 9.45	-	28,770	28,770
3A-292	01 Mar. 1999	01 Mar. 2019	5.97	-	1,827	1,827
3A-293 to 3A-303	02 Apr. 1999 to 03 Mar. 2000	02 Apr. 2019 to 03 Mar. 2020	5.89 to 7.02	-	35,282	35,282
3A-304 to 3A-314	01 Apr. 2000 to 02 Mar. 2001	01 Apr. 2020 to 02 Mar. 2021	6.41 to 6.90	-	42,645	42,645
3A-315 to 3A-326	01 Apr. 2001 to 01 Mar. 2002	01 Apr. 2021 to 01 Mar. 2022	6.38 to 6.85	-	52,376	52,376
3A-327 to 3A-337	01 Apr. 2002 to 01 Mar. 2003	01 Apr. 2022 to 01 Mar. 2023	5.88 to 6.61	-	52,104	52,104
3A-338 to 3A-347	05 Apr. 2003 to 01 Mar. 2004	05 Apr. 2023 to 01 Mar. 2024	5.41 to 6.15	-	50,738	50,738
3A-348 to 3A-356	02 Apr. 2004 to 02 Jan. 2005	02 Apr. 2024 to 02 Jan. 2025	5.36 to 5.92	-	47,146	47,146
3A-357 to 3A-359	01 Apr. 2005 to 03 Jun. 2005	01 Apr. 2025 to 03 Jun. 2025	4.91 to 5.34	-	23,987	23,987
Total: Canada Pension Plan Investment Fund Debentures				-	461,353	502,988

DEBENTURE AND OTHER DEBT (continued)

Series	Date of Issue	Date of Maturity	Interest Rate %	Sinking Fund Balance	Amount Issued or Outstanding 2009	2008
				($000)	($000)	($000)
Harbour Lodge - see note 1(e)				-	493	512
Total: Government of Canada and Agencies				-	461,846	503,500
Total: Debenture and Other Debt				876,521	6,939,870	6,982,010
Current portion of Debenture and Other Debt					794,241	781,839
Long-term portion of Debenture and Other Debt					6,145,629	6,200,171
					6,939,870	6,982,010

NOTES

1. Details of Debt Issues

a) Non-callable.

b) Non-callable by the Province, except upon changes in tax status and/or law, then as a whole at par.

c) This amount represents the net proceeds from the sale of $494 million discounted treasury bills with maturity dates ranging from 02 April 2009 to 25 June 2009 and interest rates ranging from 0.355% to 0.93%.

d) Callable at par at the option of the Minister of Finance of Canada upon six months' prior written notice, subject to the requirements of the Canada Pension Plan. Commencing March 1999, the Province has an option, pursuant to amendments of the Canada Pension Plan enacted by the *Canada Pension Plan Investment Board Act*, to refinance for a final twenty year term maturing Canada Pension Plan borrowings, provided sufficient monies are available in the Canada Pension Plan Investment Fund. The Province has exercised an option to refinance its maturing Canada Pension Plan debt and to date has rolled over, for a further 20 year term, all funds made available by the Canada Pension Plan Investment Fund from March 1999 to June 2005. Commencing July 2005, Canada Pension Plan borrowings have not been rolled over and have been allowed to mature.

e) This is a loan from the Canada Mortgage and Housing Corporation for the acquisition and construction of the Harbour Lodge. This loan is repayable over a 50 year period in blended annual installments of principal and interest, at an interest rate of 7.875%, maturing 1 December 2021.

2. Sinking Fund Balance

See note 5 of the Notes to the Financial Statements.

DEBENTURE AND OTHER DEBT (continued)

3. Borrowings

Borrowings and unamortized foreign exchange losses, by major currency, and sinking funds as at 31 March 2009 are as follows:

Major Currencies	Foreign Borrowings	Exchange Rate	Canadian $	Unamortized Foreign Exchange Gains/(Losses)	Net
			(000's)	(000's)	(000's)
U.S.	1,050,000	1.2613	1,324,365	3,629	1,327,994
Canadian			5,615,505	-	5,615,505
		Sub-total	6,939,870	3,629	6,943,499
	Foreign sinking funds		(309,647)	9,775	(299,872)
	Canadian sinking funds		(566,874)	-	(566,874)
		Total	6,063,349	13,404	6,076,753

4. Contributions and Repayment Requirements

Sinking fund contributions and debt repayments which are not funded by a sinking fund, by major currency, in Canadian dollars are as follows:

	U.S.	Canadian	Total
	(000's)	(000's)	(000's)
2009-2010	9,144	289,010	298,154
2010-2011	9,144	281,754	290,898
2011-2012	9,144	282,180	291,324
2012-2013	9,144	107,932	117,076
2013-2014	9,144	77,528	86,672
2014-2043	52,975	1,667,380	1,720,355
	98,695	2,705,784	2,804,479

The foreign exchange gain which has been realized on the Statement of Operations is $13.2 million.

5. Sensitivity Analysis

An increase/decrease of one cent in the foreign exchange rates at 31 March 2009 would result in an increase/decrease in foreign borrowings of $10.5 million (31 March 2008 - $10.5 million).

6. Related Sinking Fund Investments

At year end, the Province held $606.3 million worth of its own debentures (face value) in sinking funds as active investments (31 March 2008 - $530.9 million) which are reflected in the sinking fund balances disclosed in note 3 above. These were comprised of $453.4 million in Canadian investments and $152.9 million in US investments.

DEBENTURE AND OTHER DEBT (continued)

7. Debt-Related Risk

The practice of borrowing in both domestic and foreign currencies may potentially give rise to a number of risks including interest rate, credit, foreign exchange and liquidity risk. Interest rate risk is the risk that debt servicing costs will increase due to changes in interest rates while credit risk is the risk that a loss may occur from the failure of another party to meet its obligations under a derivative financial instrument contract. As well, foreign exchange risk is the risk that debt servicing costs will increase due to a decline in the value of the Canadian dollar relative to other currencies while liquidity risk is the risk that financial commitments will not be met over the short-term.

The Province attempts to manage its exposure to these risks and minimize volatility in its debt expenses by following a conservative debt and risk management strategy. The Province's debt portfolio is structured such that virtually all of its debt is long-term with fixed interest rates and fixed repayment terms. When appropriate and the option is available, debt with high interest rates has been called and refinanced with new lower interest rate debt. Otherwise, debt is generally held until maturity. Hence, the Province's exposure to interest rate and credit risk is minimal as a result of its conservative debt management strategy.

While the majority of the Province's debt is domestic in nature, there are a number of US dollar denominated debt issues. All of these are long-term issues and the Province has established sinking funds, also in US dollars, to provide repayment of the debt at maturity. For debt servicing purposes, short-term forward contracts are occasionally entered into when favorable exchange rates are available to minimize exposure to foreign exchange risk.

The Province's exposure to liquidity risk is managed by distributing debt maturities over several years, maintaining sinking funds for the repayment of certain long-term debt issues and holding adequate cash reserves or short-term borrowings as contingent sources of liquidity.

Schedule G

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Guaranteed Debt
As at 31 March 2009
with comparative figures for 2008

	Limit of Guarantee	Contingent Liability	
		2009	2008
	($000)	($000)	($000)
Guaranteed Debentures:			
Municipalities:			
(For debentures issued to The Municipal Development and Loan Board and The Canada Mortgage and Housing Corporation)			
Glenwood	69	69	69
Grand Falls - Windsor	14	14	17
Harbour Breton	164	164	164
Harbour Grace	124	124	124
La Scie	19	19	21
Placentia	69	69	69
Wabana	17	17	17
	476	476	481
Crown Corporations:			
Eastern Regional Integrated Health Authority - note 2	124,557	124,557	125,798
Newfoundland and Labrador Hydro Electric Corporation - note 2	1,147,095	1,147,095	1,250,681
Newfoundland and Labrador Municipal Financing Corporation - note 2	120,317	120,317	152,584
	1,391,969	1,391,969	1,529,063
Guaranteed Bank Loans:			
Crown Corporations:			
Labrador-Grenfell Regional Integrated Health Authority	14,000	-	10,755
Marble Mountain Development Corporation	2,100	1,575	1,322
	16,100	1,575	12,077
Fisheries: - note 3			
11072 Newfoundland Ltd.	158	158	176
A & E Fisheries Limited	1,199	1,199	875
AAG Enterprises Inc.	163	163	184
A.S.E. Enterprises Limited; Sylvia & Alvin Petten	-	-	65
Alcon Enterprises	267	267	339
Allingham, Ralph and Wayne	-	-	18
Andrew Daley Limited	250	250	250
Ashco Fishing Limited	553	553	583
Ashley's Pride Enterprises Limited	442	442	488
Atlantic Blue Fin Limited	790	790	878
B D & T Enterprises & William F. Ralph	56	56	106
B & J Fisheries Limited	-	-	249
B & R Genge Company Limited	604	604	650
Barrett, Donald	43	43	65
Barrett, Victor and Dwayne	-	-	90

GUARANTEED DEBT (continued)

	Limit of Guarantee	Contingent Liability 2009	2008
	($000)	($000)	($000)
Guaranteed Bank Loans:			
Fisheries: - note 3			
Batten, Purdie	-	-	51
BNB Morey Fisheries Limited	495	495	-
Butler, Harold	175	175	200
Campbell Fisheries Limited	324	324	-
C & L Harvesting Limited	1,080	1,080	-
Collins Fisheries Limited	227	227	284
DOBCO Enterprises Limited	216	216	252
Daley, Andrew	-	-	44
Daley, Gary	186	186	90
Drover's Sea Harvesting Limited	1,090	1,090	-
E & E Fisheries Limited	1,014	1,014	1,098
Emberley, Randy	45	45	67
F & G Fisheries Limited	285	285	309
F.I.C. Enterprises Limited	329	329	356
Feltham, Alexander	109	109	131
Fennelly, Thomas	9	9	51
Fennelly, Thomas and Jeanette	126	126	177
Forsey, Maxwell	-	-	122
G & D Fisheries Limited	690	690	709
G W R Fisheries Limited	542	542	409
Gallant, Guy	160	160	213
Genge, Emanuel Jr.	-	-	535
Genge, Marvin	-	-	236
Genge, Montrose	170	170	213
Gould, Clifford - et al	37	37	56
Greenham, David J. and Billy F.	1,283	1,283	1,325
Greenspond Fisheries Limited	213	213	243
Hailey Bear Enterprises Limited	642	642	700
Hart, Edward T.	-	-	540
Hart, Lloyd	154	154	206
Harvester Enterprises Limited	242	242	41
Hickey, John Sr. - et al	325	325	390
Hicks Fisheries Limited & Hicks, Randy and Ross	110	110	-
Hicks Fisheries Limited & Randy Hicks	258	258	287
High Tide Enterprises Limited	340	340	388
High Wave Fisheries Limited	307	307	368
Hutchings, Frank	110	110	166
Hyde, Gary and Karen	58	58	78
JBCE Fisheries Limited	260	260	312
J.T. Fisheries Limited	76	76	92

GUARANTEED DEBT (continued)

	Limit of Guarantee	Contingent Liability 2009	Contingent Liability 2008
	($000)	($000)	($000)
Guaranteed Bank Loans:			
Fisheries: - note 3			
Jones, Richard	208	208	208
Kailey Venture Limited	-	-	381
Kane, Charles M	61	61	-
LJC Fisheries Ltd.	205	205	1,326
Lavers, Boyd George	927	927	957
Lavers, Dion	49	49	56
Lewis, John B.	-	-	20
Lewis, Patrick	134	134	168
Leyte, Melvin	631	631	710
Lormar Enterprises Limited	150	150	169
Lynch, Levi	115	115	131
Marine Fisher Limited & Dino Dredge	-	-	51
Martin, Harold	171	171	192
May, Gilbert and Eleanor	-	-	4
McCarthy, Dennis	671	671	722
Mercer, Stanley	-	-	23
Morey, Byron	-	-	136
Morey, Lorne	54	54	54
Morningstar Enterprises Limited	661	661	716
Mouland, James B.	130	130	174
Newfoundland Mariner Fishing Enterprises Limited	1,031	1,031	1,125
Noel Fisheries Limited	114	114	120
Noonan, Maurice and Raymond	-	-	84
Norman, Glenn	347	347	422
Northern Provider Ltd.	-	-	317
Ocean Otter Limited	468	468	527
Ocean Surfer Limited	279	279	318
Parsons, William A.	-	-	20
Pencol Enterprises Limited	668	668	785
Penney's Fisheries Limited	539	539	611
Penney, Boyd - et al	57	57	85
Petten, Neal	185	185	222
Piercey's Fishing Enterprises Limited	322	322	256
Plowman, Clayton	12	12	24
Porter, Robert E. and Robert W.	66	66	100
R & C Rose Enterprises Limited	289	289	372
Reid, Austin, Kevin and Boyce	-	-	125
Roberts, Charles and Winslow, Glen	120	120	180
Russell, Wayne	30	30	66
Ryan, Randy and Lisa	145	145	182

GUARANTEED DEBT (continued)

	Limit of Guarantee	Contingent Liability 2009	Contingent Liability 2008
	($000)	($000)	($000)
Guaranteed Bank Loans:			
Fisheries: - note 3			
S & D Fisheries Limited	58	58	99
S & I Fisheries Limited	126	126	157
S & J Fisheries Inc.	298	298	331
Salt Water Foam Company Limited	216	216	243
Shirley Ann D Enterprises Limited	446	446	-
Simmonds, Rex	-	-	369
Splendid Fishing Company Limited	98	98	-
Straits Venture Inc.	-	-	173
Symmonds, Michael - et al	104	104	125
TJL Enterprises Limited	353	353	393
The Roberts and Sisters Enterprises Limited	173	173	195
Toope's Enterprises Limited	281	281	337
Trina and Sons Ltd.	332	332	356
Vernon Petten Enterprises Limited	336	336	395
W&R Enterprises Limited	257	257	321
Walsh's Fisheries Limited	180	180	225
Ward, Cecil	302	302	364
Waye's Enterprises Limited	264	264	330
What's Happening Fisheries Limited	585	585	643
Whitewater Fisheries Limited and Garfield Tippett	97	97	122
Wrice, Wallace & Mary	156	156	178
Yankee Point Limited	56	56	85
	29,769	29,769	33,285
Aggregate Limit & Contingent Amount	33,216	33,216	32,758
Corporate:			
Fogo Island Co-operative Society Limited	1,500	-	-
Natures Sea Farms Inc.	-	-	6,600
Newfoundland Symphony Orchestra Association	35	-	-
Smith Seafoods Limited	100	23	19
Stephenville Airport Corporation	350	294	289
Torngat Fish Producers Co-op Society Limited	2,100	1,377	1,760
	4,085	1,694	8,668
Other Bank Loans:			
Consumer Protection Fund for Prepaid Funeral Expenses	200	98	136
	200	98	136

GUARANTEED DEBT (continued)

	Limit of Guarantee	Contingent Liability 2009	Contingent Liability 2008
	($000)	($000)	($000)
Other Guarantees:			
Crown Corporations:			
Newfoundland and Labrador Immigrant Investor Fund Limited - note 4	149,599	149,599	97,933
Student Loan Corporation of Newfoundland and Labrador - note 5	170,000	170,000	184,000
	319,599	319,599	281,933
	1,765,645	1,748,627	1,865,116

NOTES

1. Definitions

The headings used in this Schedule are defined as follows:

Limit of Guarantee - This represents the maximum amount of loan advances available under the Province's guarantee plus capitalized interest thereon and past due interest, less down payment and less any receipted Provincial subsidy.

Contingent Liability - This represents the actual amount of loan advances (drawdowns) outstanding under the various guarantees plus capitalized interest thereon and past due interest. This represents the amount that the Province would be liable for if it had to honour these guarantees at year end.

The difference between these two amounts reflects the financing still available under the Province's guarantee. As of 31 March 2009, capitalized interest and past due interest amounted to nil and nil respectively.

2. Debenture Issues with Sinking Funds

Corporations for which guarantees are presented net of sinking fund values:

	Principal Amount of Debentures Outstanding	Accrued Interest	Value of Sinking Fund	Contingent Liability
	($000)	($000)	($000)	($000)
Eastern Regional Integrated Health Authority				
- Canadian Funds	130,000	2,605	8,048	124,557
Newfoundland and Labrador Hydro Electric Corporation				
- Canadian Funds	1,225,000	17,182	219,540	1,022,642
- Promissory Notes	124,426	27	-	124,453
				1,147,095
Newfoundland and Labrador Municipal Financing Corp.				
- Canadian Funds	119,410	907	-	120,317

GUARANTEED DEBT (continued)

3. Fisheries Loans

During a vessel's construction period, interim financing is provided through bank loans which are fully guaranteed by the Province. Once construction has been completed, these interim loans are converted to term debt by the banks. With regard to these term loans, the Province's contingent liability under each individual guarantee is determined as being limited to the lesser of the term loan or 20% of the aggregate of all term loans made by the Bank, less the total of all claims paid to the Bank by the Province with respect to these loans.

For the fiscal year ended 31 March 2009, the Province's contingent liability with respect to these guarantees is $33.2 million (31 March 2008 - $32.8 million).

4. Newfoundland and Labrador Immigrant Investor Fund Limited

The Corporation was incorporated on 28 April 2005 under the *Corporations Act* of the Province of Newfoundland and Labrador. The purpose of the Corporation is to administer and invest the Newfoundland and Labrador allocation of funds received from immigrant investors by Citizenship and Immigration Canada under its Business Immigration Program. The Province guarantees repayment of the funds received.

5. Student Loan Corporation of Newfoundland and Labrador

The Corporation was established on 30 March 2004 under the authority of the *Student Financial Assistance Act* for the purpose of funding and administrating loans to qualifying post-secondary students. On 31 March 2004, the Corporation borrowed $213 million, primarily to finance the purchase of the outstanding student loan portfolio from the previous service provider - a Canadian chartered bank. The Corporation has since reduced the principal amount by $43 million and during 2006-07 refinanced the balance for a term of five years. The borrowing is unconditionally guaranteed as to principal and interest by the Province.

6. Payments under Guarantee

During the 2008-09 fiscal year there were no payments under guarantee.

7. Valuation Allowance

The provision for guaranteed debt for 31 March 2009 is nil (31 March 2008 - nil).

Schedule H

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Losses, Uncollectible Accounts and Other Amounts Written Off
For the year ended 31 March 2009
with comparative figures for 2008

Department	2009	2008
	($000)	($000)
Finance:		
Loan forgiveness	29,412	-
Remissions	433	6,826
Tax forgiveness	20	2,832
	29,865	9,658
Human Resources, Labour and Employment:		
Overpayment of social assistance	1,575	466
Justice:		
Uncollectible accounts	961	259
Education:		
Uncollectible accounts	361	36
Government Services:		
Uncollectible accounts	29	-
Health and Community Services:		
Uncollectible accounts	19	56
Transportation and Works:		
Uncollectible accounts	3	-
Tourism, Culture and Recreation:		
Uncollectible accounts	-	28
Environment and Conservation:		
Uncollectible accounts	-	20
Natural Resources:		
Uncollectible accounts	-	5
Total	32,813	10,528

Schedule I

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Trust Accounts
As at 31 March 2009
with comparative figures for 2008

	2009	2008
	($000)	($000)
Assets		
Registrar of the Supreme Court	33,631	32,876
Teachers' Accrued Salary Trust Account	6,597	6,759
Federal/Provincial Contractors' Security Account	3,937	312
Consolidated Tender Account	1,962	3,548
Provincial Nominee Program	1,481	1,448
Provincial Courts Trust Account	1,308	1,188
Contractors' Security Account - Transportation and Works	161	95
High Sheriff of Newfoundland	128	67
Rooms Trust Account	93	91
H.M. Penitentiary	92	56
Victims of Mount Cashel	80	78
Securities Payable	73	130
Newfoundland and Labrador Youth Centre	45	32
West Coast Correctional Centre	15	12
School for the Deaf	10	9
Labour Standards Tribunal	8	-
Labrador Correctional Centre	3	57
Bishop's Falls Correctional Centre	2	9
Unpaid Wages Trust Account	2	1
Commercial and Corporate Affairs Trust	1	1
Newfoundland and Labrador Correctional Centre for Women	-	7
OCEO - 2007 General Election	-	11
Total	49,629	46,787

Schedule J

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Revenue and Expense by Sector
For the year ended 31 March 2009

	General Government and Legislative Sector	Resource Sector	Social Sector	Total
	($000)	($000)	($000)	($000)
REVENUE				
Provincial				
Taxation	2,810,883	568	-	2,811,451
Non-tax revenue	347,137	2,254,667	14,088	2,615,892
Related Revenue	112,212	21,537	45,054	178,803
Government of Canada	2,276,369	30,329	136,737	2,443,435
Total Sector Revenue	5,546,601	2,307,101	195,879	8,049,581
EXPENSE				
Salaries	187,117	89,305	171,723	448,145
Employee benefits	32,509	794	1,449	34,752
Retirement costs	201,531	-	-	201,531
Transportation and communications	16,871	17,019	14,206	48,096
Supplies	71,051	9,570	21,243	101,864
Professional services	44,324	9,428	313,800	367,552
Purchased services	186,076	38,481	70,020	294,577
Property, furnishings and equipment	8,611	2,616	67,824	79,051
Allowance and assistance	2,803	15	369,353	372,171
Grants and subsidies	12,671	66,499	3,058,425	3,137,595
Debt expenses	675,799	-	2,381	678,180
Amortization (tangible capital assets)	74,881	3,503	2,585	80,969
Bad debt expense	2,086	-	-	2,086
Total Sector Expense	1,516,330	237,230	4,093,009	5,846,569
SECTOR SURPLUS (DEFICIT)	4,030,271	2,069,871	(3,897,130)	2,203,012

REVENUE AND EXPENSE BY SECTOR (continued)

NOTE

Sectors

The sectors identified above are comprised of a broad array of programs which are delivered through the various departments and are consistent with the presentation of the 2008-09 Estimates. Revenues and expenses have been attributed to individual departments based on where the program is administered. Certain amounts have been allocated on a systematic basis. The sectors include the following departments:

General Government and Legislative Sector
This sector consists of the Departments of Consolidated Fund Services, Executive Council, Finance, Government Services, Labrador and Aboriginal Affairs, Legislature, Public Service Commission and Transportation and Works.

Resource Sector
This sector consists of the Departments of Business, Environment and Conservation, Fisheries and Aquaculture, Innovation, Trade and Rural Development, Natural Resources and Tourism, Culture and Recreation.

Social Sector
This sector consists of the Departments of Education, Health and Community Services, Human Resources, Labour and Employment, Justice, Municipal Affairs and Newfoundland Labrador Housing Corporation.

Schedule K

PROVINCE OF NEWFOUNDLAND AND LABRADOR

Reconciliation of Budgetary Contribution (Requirement) to Accrual
For the year ended 31 March 2009
with comparative figures for 2008

	2009		2008	
	Current	Capital	Current	Capital
	($000)	($000)	($000)	($000)
Budgetary Contribution (Requirement) - note	2,950,074	(756,626)	1,412,072	(340,810)
Less: Amounts capitalized	-	331,815	-	11,507
	2,950,074	(424,811)	1,412,072	(329,303)
Surplus (Deficit) - accrual	2,479,162	(276,150)	1,467,501	(262,256)
Difference	470,912	(148,661)	(55,429)	(67,047)
The difference is comprised of the following:				
Sinking fund earnings	(46,516)	-	(52,129)	-
Accrued retirement costs - interest	238,593	-	186,189	-
Accrued retirement costs - other	101,853	-	38,950	-
Amortization of foreign exchange gains/losses	(17,565)	-	(10,601)	-
Other debt expenses	(1,871)	(2,230)	(3,277)	290
Bad debt expenses	1	2,085	52	29,190
Amortization expense re tangible capital assets	-	80,969	-	78,750
Tangible capital asset acquisitions/adjustments - net	-	(188,835)	-	(132,502)
Inventories of supplies	264	-	(2,104)	-
Accrued revenues and expenses	196,153	(40,650)	(212,509)	(42,775)
Difference	470,912	(148,661)	(55,429)	(67,047)
		322,251		(122,476)

NOTE

The Budgetary Contribution (Requirement) for current and capital accounts are per the Report on the Program Expenditures and Revenues of the Consolidated Revenue Fund for the year ended 31 March 2009.